

EXHIBIT B

FIRST LOOK

Stephens

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Gail Nicholson, Analyst

301-904-7466, gail.nicholson@stephens.com

Current

Rating	Overweight
Target Price	\$38.00
Price:	\$24.42
Fully Diluted Shares Out (mil.):	380.42
52-Week High:	\$50.03
52-Week Low:	\$23.00
Market Cap (mil.):	\$9,289.9
Fiscal Year End:	Dec
Average Daily Volume:	4,773,845
Float (mil.):	99.7
Debt/Cap:	54.5
Cash/Shr:	\$0.87
Dividend/Yield:	\$4.15/4.1%
Book Value/Shr:	\$18.59

EPS	2018A	2019E	2020E
Mar	\$0.38A	(\$0.13)A	\$0.51
Jun	\$0.51A	\$0.02	\$0.49
Sep	\$0.21A	\$0.25	\$0.46
Dec	(\$1.00)A	\$0.47	\$0.46
FY	\$0.09A	\$0.62	\$1.92
P/E	NM	39.4x	12.7x

Oper. CFPS	2018A	2019E	2020E
Mar	\$2.08A	\$1.92A	\$2.61
Jun	\$2.42A	\$1.83	\$2.59
Sep	\$2.60A	\$2.06	\$2.57
Dec	\$2.13A	\$2.50	\$2.59
FY	\$9.23A	\$8.31	\$10.36
P/CFPS	2.6x	2.9x	2.4x

EBITDAX	2018A	2019E	2020E
FY	\$4.84BA	\$4.28B	\$5.09B
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Apache Corporation is an oil and gas exploration production company with operations in the United States, Canada, Egypt, and the United Kingdom.

Apache Corporation

APA – NYSE

Overweight**APA First Look: 2Q19 EBITDAX Beat & Capex Below Expectations****INVESTMENT CONCLUSION:**

APA announced 2Q19 results and provided 3Q19 guidance. Total production of ~455 Mboepd was ~1% above our estimate. Notably, Permian oil of ~92.2 Mbopd missed our estimate by ~4% (as a result of timing; 9 less wells completed). EBITDAX of ~\$994 mil. came in ~4%/~5% higher than our/consensus estimates driven by slightly higher volumes and lower G,P,&T partly offset by higher LOE. Capex of ~\$589 million was ~11%/~12% below our estimate/midpoint of company guide. Overall, Apache posted solid 2Q19 results (EBITDAX beat & lower capex), though 3Q guide is a little noisy as adjusted production guidance is below expectations (increased Alpine deferrals vs. prior forecast & Permian oil lower due to activity timing) and LOE is biased higher. While our 3Q19 volume outlook is biased lower, we anticipate the adjustment is transitory as our 4Q19 forecast remains largely unchanged. We look for additional information on the call today regarding Suriname.

KEY POINTS:**Preliminary 3Q19 Outlook.**

- Company guided 3Q19 adjusted volumes to 373-383 Mboepd vs. our ~394.3 Mboepd outlook. The delta in our estimate vs. guide was lower Alpine (guide of 70-75 Mboepd), ~16% below our expectations, and Permian oil volumes (guide of 94-98 Mbopd), ~4% below our expectations. Preliminarily, our 3Q19 adjusted production forecast is biased ~4% lower.
- Preliminarily, our 3Q19 EBITDAX estimate is biased ~4% lower.
- Preliminarily, our 4Q19 production outlook is tracking and remains relatively unchanged.

Apache Corp.

(\$ in Millions, Except Per Share)

	2Q19	2Q19 Estimates			
	Results	Stephens	% Δ	Consensus	% Δ
Average daily production:					
Oil (Mbbl/day)	236.8	238.6	(1%)	237.0	(0%)
NGLs (Mbbl/day)	64.5	56.4	14%	61.9	4%
Natural Gas (MMcf/day)	921.9	942.4	(2%)	934.2	(1%)
Oil equivalents (Mboe/day)	455.0	452.1	1%	453.5	0%
EBITDAX (\$/mil.)					
	\$ 994.0	\$ 958.6	4%	\$ 947.4	5%
CAPEX (\$/mil.)					
	589.0	664.7	(11%)	776.6	(24%)
Non-GAAP EPS (\$/share)					
	0.11	0.02	-	0.06	-

Sources: Company reports, Stephens estimates, FactSet Research Systems.

See important disclosures and analyst certification on pages 2 - 3 of this report. To access current disclosures for other Stephens Inc. covered companies, clients may refer to <https://stephens2.bluematrix.com/sellside/Disclosures.action>.

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111 Center Street

Little Rock, AR 72201

501-377-2000

800-643-9691

www.stephens.com

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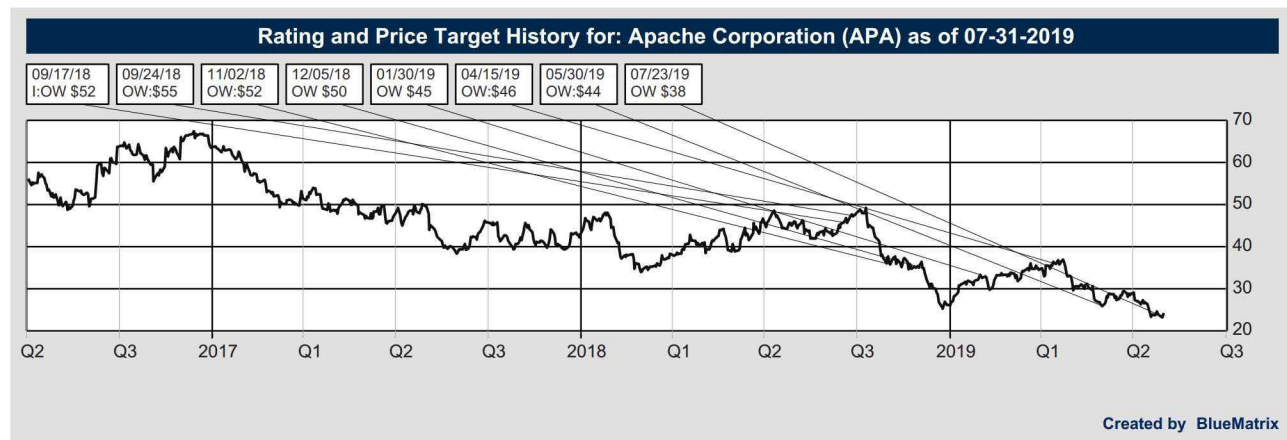
APPENDIX A**ANALYST CERTIFICATION**

The analyst primarily responsible for the preparation of the content of this report certifies that (i) all views expressed in this report accurately reflect the analyst's personal views about the subject company and securities, and (ii) no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the analyst in this report.

REQUIRED DISCLOSURES

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Stephens Inc. maintains a market in the common stock of Apache Corporation as of the date of this report and may act as principal in these transactions.

**Valuation Methodology for Apache Corporation**

Our target price is based on a five-year DCF outlook that applies a company specific terminal multiple based on the 5-year historical average for the index adjusted for relative performance and company specific factors. We also consider comparable company analysis on an EV/EBITDA.

Risks to Achievement of Target Price for Apache Corporation

- Global crude oil prices are affected by overall supply and demand, political developments worldwide, pricing decisions and production quotas of OPEC and the volatile trading patterns in the commodity futures markets. U.S. natural gas prices are affected by overall supply and demand, seasonal weather patterns and the volatile trading patterns in the commodity futures markets. In periods of sharply lower oil and natural gas prices, a company may curtail capital spending projects. Furthermore, changes in oil and natural gas prices can impact a company's determination of proven reserves and a company's calculation of the standardized measure of discounted future net cash flows relating to oil and natural gas reserves.
- E&P companies compete with many other participants in the industry for the resources necessary to explore for and develop oil and gas reserves. These resources include everything from attractive leaseholds to drilling rigs to the human capital necessary to operate machinery at the drill site. These competitive pressures can force oilfield service prices upward, and thereby increase the cost of securing them. Consequently, given a high level of industry activity, a company could experience margin contraction.
- The stated quantity and value of a company's oil and natural gas reserves is based on numerous estimates, which are subject to uncertainty. Reserve estimates are projections based on engineering data, the projection of future rates of production and the timing of future expenditures. There can be no assurance that the prices used to compile the estimate of a company's reserves will be realized or that the estimated production volumes will be produced during the periods indicated. Actual future production, natural gas and oil prices, revenues, taxes, development expenditures, operating expenses and the quantities of recoverable natural gas and oil reserves will likely vary from original estimates.
- In addition to the substantial risk that wells drilled will not be productive, hazards such as unusual or unexpected geologic formations, pressures, mechanical failures, uncontrollable flows of oil and/or natural gas, pollution and other physical and environmental risks are inherent in oil and natural gas exploration and production. These hazards could result in substantial losses to a company due to injury and/or loss of life, severe damage or destruction of property and equipment and environmental damage. Companies typically carry insurance that they believe is in accordance with customary industry practices. However, as is common in the oil and natural

gas industry, a company does not fully insure against all risks associated with its business, either because such insurance is not available, or because it is considered cost prohibitive.

Ratings Definitions

OVERWEIGHT (O) - The stock's total return is expected to be greater than the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. EQUAL-WEIGHT (E) - The stock's total return is expected to be equivalent to the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. UNDERWEIGHT (U) - The stock's total return is expected to be less than the total return of the company's industry sector, on a risk-adjusted basis, over the next 12 months. VOLATILE (V) - The stock's price volatility is potentially higher than that of the company's industry sector. The company stock ratings may reflect the analyst's subjective assessment of risk factors that could impact the company's business.

Distribution of Stephens Inc. Ratings

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [OW]	244	54.59	44	18.03
HOLD [EW]	201	44.97	21	10.45
SELL [UW]	2	0.45	1	50.00

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